

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

AVIATION CAPITAL PARTNERS, LLC,
d/b/a SPECIALIZED TAX RECOVERY,

Plaintiff,

v.

SH ADVISORS, LLC, d/b/a SITUS
HAWK,

Defendant.

Civil Action No. 22-cv-1556-RGA

JURY TRIAL DEMANDED

DEFENDANT SH ADVISORS, LLC'S ANSWER

Defendant SH Advisors, LLC, d/b/a Situs Hawk, by and through its undersigned attorneys provides its Answer to the Complaint (D.I. 1) filed by Plaintiff Aviation Capital Partners, LLC, d/b/a Specialized Tax Recovery, as follows:¹

I. Nature of the Action²

1. Situs Hawk admits that STR filed a complaint alleging patent infringement against Situs Hawk seeking relief from the Court. Situs Hawk denies that it has infringed, directly or indirectly, literally or by doctrine of equivalents, any valid and enforceable claim of the patent asserted in the Complaint.

II. The Parties

2. Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

¹ For clarity, Situs Hawk files this Answer so that STR cannot dismiss this action under Rule 41(a)(1)(A)(i) before the Court issues its ruling on Situs Hawk's Motion to Dismiss (D.I. 17), which was argued on February 1. Situs Hawk does not assert any counterclaims at this time; thus, this Answer does not expand or change the scope of the case.

² For ease of reference, Situs Hawk adopts the section headings used in STR's Complaint. To the extent any heading states or implies any allegation of liability, Situs Hawk denies such allegation.

3. Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

4. Situs Hawk admits that a copy of U.S. Patent No. 10,956,988 is attached as an exhibit to the Complaint. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

5. Situs Hawk admits that it is organized and existing under the laws of Delaware. Situs Hawk admits that its principal places of business is located in Alabama. Situs Hawk denies that its principal place of business is at 2 North Jackson Street, Suite 605, Montgomery, AL 36104.

6. Denied.

III. Jurisdiction and Venue

7. Admitted.

8. Denied.

9. For purposes of this action, Situs Hawk admits it is subject to personal jurisdiction in the District of Delaware.

10. For purpose of this action, Situs Hawk admits that venue is proper in the District of Delaware. Situs Hawk denies that Delaware is the most convenient venue for this litigation and contends that the Middle District of Alabama is a clearly more convenient venue.

IV. Factual Background

11. Admitted.

12. To the extent STR alleges that the 988 patent is valid, Situs Hawk denies such allegation. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

13. Situs Hawk admits that, on its face, the 988 patent states that the application underlying the patent was filed on June 26, 2017, with Scott Beale as the inventor and applicant.

Situs Hawk admits that, on its face, the 988 patent states that it was issued on March 23, 2021. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

14. Situs Hawk admits that this paragraph purports to paraphrase claim 1 of the 988 patent. To the extent any change in wording mischaracterizes or misstates the wording of claim 1 of the 988 patent, Situs Hawk denies that any such deviation corresponds with the proper scope of claim 1. The text of claim 1 speaks for itself.

15. Situs Hawk admits that claim 13 is a system claim sharing similarities with claim 1. To the extent STR's description of claim 13 deviates from or misstates the wording of claim 13 of the 988 patent, Situs Hawk denies that any such deviation represents the proper scope of claim 13. The text of claim 13 speaks for itself.

16. Situs Hawk admits that the filing date stated on the face of the 988 patent is June 26, 2017. Situs Hawk admits that the PTO allowed the issued claims of the 988 patent. Situs Hawk denies that the claims of the 988 patent were properly allowed.

17. Situs Hawk admits that the PTO allowed the issued claims of the 988 patent. Situs Hawk denies that the claims of the 988 patent are not directed to an abstract idea and denies that the claims of the 988 patent are patent eligible. Situs Hawk incorporates the allegations and arguments in its Motion to Dismiss that the 988 patent is invalid under 35 U.S.C. § 101. *See* D.I. 17 & 18. Situs Hawk further incorporates the Court's order denying STR's motion for a preliminary injunction and supporting reasons as stated at the February 1, 2023 hearing.

18. Situs Hawk denies that the Alabama Department of Revenue ("ALDOR") released SRC0000009508 on June 9, 2022. Situs Hawk admits the remaining allegations of this paragraph.

19. Situs Hawk admits that on or around July 26, 2022, representatives of STR made unsolicited contact with Situs Hawk regarding SRC0000009508. Situs Hawk admits that STR referenced the 988 patent during that unsolicited contact. Situs Hawk admits that it did not further contact STR after the initial unsolicited contact. Situs Hawk admits that on or around August 8, 2022, STR sent Situs Hawk a letter in which it referenced the 988 patent. Situs Hawk denies that the letter or the unsolicited contact provided notice that STR contended that Situs Hawk may have been infringing the 988 patent. Situs Hawk denies that the letter memorialized the entirety of the parties' prior discussion.

20. Admitted.

21. Situs Hawk admits that Exhibit C purports to be a Protest Letter filed by STR. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

22. Situs Hawk admits that it submitted proper references in accordance with the bid specification. Any further allegation of this paragraph is denied.

23. Situs Hawk admits that Exhibits E and F purport to be correspondence with representatives of Lincoln County and McCracken County. The correspondence speaks for itself. Situs Hawk admits that STR interfered with Situs Hawk's relationship with Lincoln County and McCracken County, as evidenced in Exhibits E and F. Situs Hawk denies that it had no actual customers before winning the ALDOR bid and to the extent not expressly admitted herein, denies the remaining allegations of paragraph 23.

24. Denied.

25. Situs Hawk admits that Exhibit C asserts that Situs Hawk infringes the 988 patent. Situs Hawk denies that it infringes any claim of the 988 patent and denies the claims of the 988 patent are valid and enforceable.

26. Situs Hawk admits that Exhibit G purports to be communication from the ALDOR to STR. The communication speaks for itself.

27. Situs Hawk admits that Exhibit H purports to be an appeal of the ALDOR protest denial by STR. The document speaks for itself. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny any remaining allegations and, therefore, denies any remaining allegations.

28. Situs Hawk admits that Exhibit I purports to be an email from the ALDOR to STR. The email speaks for itself. As to the remainder of this paragraph, Situs Hawk lacks sufficient knowledge to admit or deny this allegation and, therefore, denies this allegation.

29. Situs Hawk admits that the State of Alabama released a Master Agreement for aircraft valuation services related to SRC0000009508 on or around November 18, 2022. Situs Hawk admits that the Master Agreement identifies SH Advisors LLC under the Supplier Information. Situs Hawk admits that the Master Agreement includes the signature of Christine Cook, Purchasing Director, on behalf of the State. Situs Hawk denies any further allegations regarding the Master Agreement. Situs Hawk admits that at the time of the filing of the Complaint it had not rendered services to the State under the Master Agreement.

V. Count I: Infringement of the 988 Patent

30. Situs Hawk incorporates by reference herein its responses to STR's allegations in paragraphs 1-29, above.

31. Admitted.

32. Situs Hawk admits that the 988 patent describes a system and method for determining a taxability status for a vehicular asset. Situs Hawk denies that the claims of the 988 patent are valid and enforceable.

33. Denied.

34. Situs Hawk admits that STR appears to have accurately recited claim 1 of the 988 patent. Claim 1 speaks for itself.

35. Situs Hawk admits that the information and graphics in Exhibit L were included in Supplemental Documentation it supplied to the ALDOR. The remaining allegations of this paragraph are denied.

36. Situs Hawk admits that in the second sentence of paragraph 36, the text in quotation marks is an excerpt from Exhibit F. Situs Hawk denies the remaining allegations of this paragraph.

37. Situs Hawk admits that STR has accurately quoted an excerpt from Exhibit F in the second sentence of paragraph 37. Situs Hawk admits that its proprietary network of public and private data sources includes utilizing Automatic Dependent Surveillance-Broadcast (ADS-B) data, which measures speed and/or altitude, and is received from a transponder on an aircraft. To the extent the first sentence purports to quote a limitation from claim 1 of the 988 patent, Situs Hawk denies that allegation, as that claim limitation is understood by Situs Hawk.

38. Situs Hawk admits that STR has accurately quoted an excerpt from Exhibit F in the second sentence of paragraph 38 and that Situs Hawk performed aircraft discovery for Terrebonne Parish by analyzing data that included transponder data. The remaining allegations of this paragraph are denied.

39. Situs Hawk admits that STR has accurately quoted a portion of Exhibit F in the second sentence of paragraph 39. The remaining allegations of this paragraph are denied.

40. Situs Hawk admits that the first sentence of this paragraph accurately quotes from Exhibit F. Situs Hawk admits that the screen captures included below the text of this paragraph were included among the materials it submitted to the State of Alabama. Situs Hawk denies the characterization of the screen captures in the second sentence of this paragraph.

41. Situs Hawk admits that claim 13 is a system claim sharing similarities with claim 1. To the extent STR's description of claim 13 deviates from or misstates the wording of claim 13 of the 988 patent, Situs Hawk denies that any such deviation represents the proper scope of claim 13. The text of claim 13 speaks for itself.

42. Denied.

43. Situs Hawk denies that claim 15 is a method claim. Situs Hawk admits that claim 15 shares similarities with claim 1. To the extent STR's description of claim 15 deviates from or misstates the wording of claim 15 of the 988 patent, Situs Hawk denies that any such deviation represents the proper scope of claim 15. The text of claim 15 speaks for itself.

44. Denied.

45. Denied.

46. Denied.

47. Denied.

48. Denied.

49. Denied.

VI. Count II: Tortious Inference with Prospective Business Relationships

50. Situs Hawk incorporates by reference herein its responses to STR's allegations in paragraphs 1-49, above.

51. Denied.

52. Denied.

53. Denied.

54. Denied.

55. Denied.

56. Denied.

57. Denied.

58. Denied.

VII. Count III: Deceptive Trade Practices

59. Situs Hawk incorporates by reference herein its responses to STR's allegations in paragraphs 1-58, above.

60. Denied.

61. Denied.

62. Denied.

63. Denied.

64. Denied.

65. Denied.

VIII. Prayer for Relief

To the extent any response is required to STR's Prayer for Relief, Situs Hawk denies that STR is entitled to any of the relief it requests.

IX. Demand for Jury Trial

No response to STR's jury request is required.

AFFIRMATIVE AND OTHER DEFENSES

Without assuming any burden not otherwise applicable to Situs Hawk, Situs Hawk asserts under Federal Rule of Civil Procedure 8(c) the following defenses and reservations to STR's

Complaint.

First Defense

1. The Complaint fails to state a claim upon which relief may be granted, Fed. R. Civ. P. 12(b)(6).

Second Defense

2. Situs Hawk has not and does not infringe directly, either literally or under the doctrine of equivalents, by inducement, or by contribution any valid and enforceable claim of any of the 988 patent.

Third Defense

3. The 988 patent is invalid for failing to satisfy the requirements of the Patent Act.

Fourth Defense

4. The 988 patent is invalid for failure to satisfy one or more of the conditions for patentability of 35 U.S.C. §§ 102, 103, separately and severally.

Fifth Defense

5. The 988 patent invalid for failure to comply with one or more of the requirements of 35 U.S.C. § 112.

Sixth Defense

6. The 988 patent is invalid under 35 U.S.C. § 101.

Seventh Defense

7. STR's claim for damages, if any, against Situs Hawk regarding the 988 patent is limited under 35 U.S.C. § 287.

Eighth Defense

8. STR's claim for damages is barred, in whole or in part, due to STR's failure to mitigate its damages.

Ninth Defense

9. STR has abandoned and dedicated to the public domain all inventions, information, methods, features, elements, and devices described in the 988 patent to the extent the same are not literally included within the scope of the claims.

Tenth Defense

10. Equitable principles, including the doctrine of unclean hands or patent misuse, or both, may bar some or all of the claims asserted by STR because STR seeks to enforce a patent or claims thereof that, upon information and belief, STR knows to be invalid, void, unenforceable, or not infringed.

Eleventh Defense

11. STR's claims are barred in whole or in part based on equitable principles, including the doctrines of release, laches, estoppel, or waiver, separately or severally.

Twelfth Defense

12. Situs Hawk denies that STR is entitled to damages of the nature, type, or amount sought in its Complaint.

Thirteenth Defense

13. By reason of proceedings in the United States Patent and Trademark Office during the prosecution of the application that resulted in the issuance of the 988 patent, as shown by the prosecution history of the 988 patent, and the teachings of the prior art, STR is estopped from

asserting a construction of any claim in the 988 patent that would cause those claims to be infringed by any service made, used, sold or offered for sale by Situs Hawk.

Fourteenth Defense

14. The doctrine of prosecution history estoppel precludes reliance by STR upon the doctrine of equivalents.

Fifteenth Defense

15. Situs Hawk's actions with respect to its bid to the ALDOR are justified and protected by the competitor's privilege.

Sixteenth Defense

16. STR lacks standing to raise Count III.

Reservation of Rights

17. Situs Hawk reserves the right to add any additional defenses or counterclaims that discovery may reveal.

Dated: February 2, 2023

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